



## It's Time to Give Middle Class Families a Break

By Chairman Charles B. Rangel  
*House Committee on Ways and Means*

Each year Americans pay roughly \$2.4 trillion in taxes, a whopping sum that funds a whole host of essential services from children's health care to equipment for our troops in combat. We get a return on each dollar invested into the national treasury through a stronger, healthier and more competitive America.

While paying taxes is probably the least favorite civic obligation of most Americans, it is a necessary responsibility that we all share collectively.

As former Supreme Court Justice Oliver Wendell Holmes, Jr. said, "taxes are what we pay for civilized society."

Yet, an estimated \$345 billion in taxes goes unreported each year — that's almost a half trillion dollars that should be available for securer ports and borders, better schools, safe highways and a robust military to protect our country's interests.

Reducing this "tax gap" is one small, but significant, step the Congress can take to provide tax fairness and relief to working families.

Democrats are committed to easing the tax burden on middle-income earners, so that they have more money in their pocketbooks and bank accounts. While the tax code provides the federal government with the necessary revenue to maintain domestic security, it can and should help hard-working families prosper economically.

There is so much more we can and must do in that endeavor.

It's been over 20 years since the tax code underwent a significant overhaul. In that time, our economy has changed, exciting technologies have emerged and family and corporate earnings have risen across the board.

Yet, vast income disparities persist and continue to grow between the wealthiest one percent of Americans and the rest of the country. Simplifying the tax code would not only ease the anxiety many experience this time of year, it is also necessary to provide tax relief for hard-working families.

Starting with the Alternative Minimum Tax would allow us to deliver the right kind of one-two punch.

The AMT is a parallel income tax that was originally enacted in 1969 to ensure that the wealthiest Americans paid at least some income taxes. It was never intended to affect middle-income earners, but inflation and tax policies tilted in favor of the richest Americans have slowly morphed into a middle-class tax.

The AMT is such a monster that if we don't come up with a solution this year 23 million Americans, like firefighter, teachers and other hard-working families will see their tax obligation unfairly grow. In fact, for many families the AMT takes back a large portion of the 2001 and 2003 tax cuts promised for middle-class families.

Reforming the Alternative Minimum Tax might be a tricky political proposition for some, but for me it is a simple matter of fairness.

How fair is it to make 30 million people pay \$1 trillion more in higher taxes so that one million people can get \$2 trillion in tax breaks?

To me, it is a no-brainer.

Not only will reforming the AMT restore balance and equity to the tax code, but it will provide necessary relief to millions of working families as they struggle against the income deflating effects of higher gas prices, health care costs and college tuition.

I am confident that a bipartisan consensus can be reached that is both revenue-neutral and provides tax relief for millions of American families.